

A2. Retail Study 2015 Update: Summary of Outcomes

A2.1 This summary should be read in conjunction with the content of the main report. The following précis's the content of the Retail Study 2015 Update drawing out some its key elements.

A2.2 Future expenditure levels - the update takes into account the impact of the economic downturn and the likely pace of recovery. It takes a long term view of growth and projections, recognising the cyclical nature of expenditure growth. Trends in population growth, home shopping/internet sales and growth in turnover efficiency also need to be carefully considered with a balanced approach taken.

A2.3 Expenditure growth - has in the past fuelled growth in retail floorspace, including major out-of-centre development, particularly in the 1980s and 1990s. The economic downturn and current forecasts suggests that past rates of growth are unlikely to be achieved in the short term (next 5 years), but the underlying trend over the medium (5 to 10 years) and long terms (beyond 10 years) is expected to pick up again.

A2.4 Expenditure (per person) on convenience goods - has reduced between 2007 (the base data of the 2009 Study) and 2013 (the latest data available). However, the growth rate between 2016–2021 is now estimated to be at a higher rate than was assumed in the 2009 Study.

A2.5 Comparison goods expenditure per person - has fallen in real terms between 2007 and 2013. This will impact upon the turnover of existing shops as well as the forecasts for future floorspace requirements.

A2.6 New forms of retailing - has continued to grow, as an alternative to more traditional shopping. The retail update makes an allowance for future growth in 'e-tailing' based on Experian's projections. However, the implications on the demand for retail space need to be carefully considered. For example, some retailers operate on-line sales from their traditional retail premises e.g. food store operators and click and collect operations, therefore growth in on-line sales may not always mean there is a reduction in the need for retail floorspace.

Retail Capacity

A2.7 The update assesses the quantitative scope for new retail floorspace in Carmarthenshire up to 2021. It sets out the methodology adopted for this analysis and provides a quantitative capacity analysis in terms of levels of spending for convenience and comparison goods shopping.

A2.8 Available spending - As a consequence of growth in population and per capita spending (retail businesses only), baseline convenience goods spending within the study area is forecast to increase by 7.5% from £348.51 million in 2016 to £374.59 million in 2021. Baseline comparison goods spending is forecast to increase by 20.5% from £471.66 million in 2016 to £568.40 million in 2021.

A2.9 A Market Research 'household survey' was undertaken in June 2015 on behalf of the Council with 1,000 households surveyed across the County. The questions were focused upon food and non-food shopping habits with the results analysed and interpreted in order to provide a composite market share for both convenience and comparison goods.

A2.10 Convenience Shopping - One of the emerging factors from the 2009 study is that the 'discount retailers', particularly Aldi, have significantly increased their market share, and in

some instances, are now out-performing the larger main foodstores. Llandeilo and Llandovery have lost market share and are now less self-sufficient in food retailing than in 2008 (44% compared to 50% in 2008/9). Conversely, the popularity of Aldi has increased in the Cross Hands area (retention rate up from 32% to 51%). The opening of the Lidl store in Ammanford has also increased retention in the area from 53% to 64%. Despite extending their store in Ammanford, Tesco's market share in the area has actually fallen from 36% to 29% since 2008/9.

A2.11 The level of convenience goods expenditure attracted to shops/stores in the Study Area in 2016 is estimated to be £349.51 million. Where stores are trading at a level above expected company average turnover (over-trading), this can be an indication that there is a qualitative need for additional floorspace. The only stores that appear to be trading significantly above company average are the 'discount retailers', particularly the Aldi stores in Carmarthen, Llanelli and Cross Hands, along with the Lidl store in Ammanford.

A2.12 **Comparison Goods Shopping** - the study area is set to attract £499.98 million of comparison goods expenditure in total in 2016 based on existing market shares. Based on this expenditure estimate, the average sales density for existing comparison sales floorspace in the main retail centres in the County (excluding builders merchants) is £3,191 per sq m net. This is at the mid -low end of the range that can be achieved in town centres.

A2.13 The analysis of existing comparison shopping patterns in 2016 suggests the following average sales density figures for the centres in the County:

Centre	Average Sales Density 2016 (£ per sq.m net)
Carmarthen	£3,543
Llanelli	£3,007
Parc Trostre	£5,139
Parc Pemberton	£2,455
Ammanford	£2,813
Llandeilo	£1,970
Cross Hands	£916
Kidwelly	£1,741
Burry Port	£2,467
St Clears	£1,795
County Average	£3,191 per sq m

A2.14 The above table indicates that trading levels amongst comparison facilities in the County vary significantly from area to area, with average sales density figures subject to area by area variations. Comparison facilities in Parc Trostre are far higher than Llanelli and Carmarthen town centres, thus skewing the County average. If the Parc Trostre figures were excluded, the County average would be only £2,730 per sq m. Turnover densities have altered noticeably from the 2009 Retail Study. For example, Llanelli town centre was estimated to have a turnover density of £4,912 per sq m (adjusted to 2013 prices), whereas Parc Trostre had a turnover density of £3,995 per sq m.

A2.15 Overall, comparison shopping facilities within the County appear to be trading satisfactorily. There is no evidence of 'over-trading' in any part of the County.

Quantitative Capacity for Convenience Floorspace

A2.16 **Constant Market Shares** - The total level of convenience goods projected expenditure attracted between 2016 and 2021 (excluding Lampeter and Pontarddulais) is expected to increase from £330.45 million in 2016 to £355.19 million in 2021.

A2.17 Within the County, there is a projected deficit of convenience goods expenditure in 2016, as a number of centres are trading at below benchmark levels. However, for individual centres, the figures vary considerably, with some centres showing a negative requirement for additional floorspace and some showing a demand.

Qualitative Need for Convenience Goods Floorspace

A2.18 It is noted that even though there may not be a strong quantitative case for growth, the Council should still consider whether there is a qualitative need to plan for more convenience floorspace within the County. In this regard, the update outlines that existing convenience provision is limited in the following:

- Llandeilo;
- Llandovery;
- Newcastle Emlyn;
- Whitland, and
- St Clears.

A2.19 Newcastle Emlyn is considered to be the most isolated of the above and could benefit the most from improved convenience goods provision. There is an existing commitment for a 1,462 sq m (gross) food store in Newcastle Emlyn, which would improve the local qualitative offer and reduce leakage of expenditure.

Quantitative Capacity for Comparison Floorspace

A2.20 The household survey suggests that the County's retention of comparison goods expenditure is lower than for convenience goods. The lower level of comparison goods expenditure retention reflects the strength of competing comparison goods facilities in neighbouring authorities, particularly Swansea and Cardiff. Future improvements to comparison retail provision within the County could help to claw back some additional expenditure leakage from the study area, however major developments in neighbouring authorities will limit the ability of shopping facilities in the County to increase their market share of expenditure. An appropriate strategy would be to maintain existing 2015 market share in the face of increasing future competition, whilst maintaining the vitality and viability of centres.

A2.21 The retail capacity projections assume centres within Carmarthenshire continue to maintain their market share of comparison goods expenditure. The update takes into account the recent commitment for the Pizza Hut unit and extension of mezzanine in unit 11 at Parc Trostre, which reduces capacity in Llanelli for the remainder of the LDP period.

A2.22 Total comparison goods expenditure in the Study Area is expected to increase from £499.98 million in 2016 to £602.56 million in 2021.

Strategy for Accommodating Growth

A2.23 The update, having assessed which centres will have quantitative expenditure capacity to accommodate new retail floorspace, proceeds to consider how that quantitative need could be addressed through the LDP and/or development management process. In this regard, reference is made to the sequential approach as set out within National Planning Policy which identifies designated town centres as the first choice for retail and leisure development.

Retail Hierarchy and Growth Strategy

A2.24 The LDP reinforces the role of the principal centres: Carmarthen, Llanelli and Ammanford/Cross Hands) in serving wider catchment areas for comparison goods. It also promotes smaller centres in terms of their role in providing local communities with a satisfactory range of high street facilities and services (particularly convenience goods). Where quantitative capacity is shown for convenience goods floorspace, it is important to consider where the best location to accommodate the need is. In this respect, the LDP strategy sets a policy framework for the distribution of convenience shopping in a manner which serves its local communities.

A2.25 Taking into account existing commitments, there is expected to be a deficit in convenience goods floorspace capacity by 2021 across the County as a whole (with only Carmarthen and Newcastle Emlyn with surplus capacity). Whilst some of the surplus in Carmarthen could be redistributed to reduce leakage from the smaller settlements, the scope to improve convenience goods provision in the lower order settlements is limited. It should be noted however that any individual planning applications in such centres should still be considered on their merits.

A2.26 In terms of comparison goods, both Carmarthen and Llanelli/Parc Trostre retain reasonable levels of expenditure. Cross Hands and Ammanford do not however have such a strong retail function in terms of comparison goods and whilst their function could be improved, this would potentially result in a redistribution of any growth from Carmarthen and/or Llanelli.

Utilising the Existing Stock

A2.27 The existing stock of retail premises will have a role to play in accommodating projected growth. The retail capacity analysis undertaken within the Update assumes that existing comparison goods retail floorspace can, on average, increase its turnover to sales floorspace densities. However, no growth in convenience turnover efficiency is assumed, due to low growth and past trends. In addition to the growth in sales densities, vacant shops could help to accommodate future growth.

A2.28 In terms of vacancies, Llanelli town centre has a vacancy rate of 17% in terms of units, although this represents only 13% in terms of floorspace (Source: Goad). Nonetheless, the 10,560 sq m of existing vacant floorspace could be reduced should a strategy focused on reoccupation be adopted in accommodating future growth.

A2.29 The vacancy rate in Carmarthen is 10.8% by unit and 7% by floorspace (Source: Goad). Similarly the amount of vacant floorspace could be reduced through a reoccupation as part of a strategy to accommodate future growth.

A2.30 In Ammanford, the vacancy rate is 8% by unit and 6% by floorspace (source: Goad). There is only limited scope for this vacancy rate to be reduced by accommodating future growth.

A2.31 If this reduction in vacant units can be achieved, then the overall retail floorspace projection up to 2021 would reduce.

A2.32 The Update suggests a short term priority post-recession should be the reoccupation of vacant floorspace, but this should not preclude investment within appropriate town and village retail centre locations.